DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Baltimore, Maryland 21244-1850

MEDICARE ENROLLMENT & APPEALS GROUP

DATE: August 28, 2025

TO: All PACE Organizations

FROM: Jerry Mulcahy
Director, Medicare Enrollment and Appeals Group
Center for Medicare

SUBJECT: Clarification of Enrollment of PACE Participants for Medicare Payment

The Centers for Medicare & Medicaid Services (CMS) is issuing guidance regarding Program of All-Inclusive Care for the Elderly (PACE) participants who become eligible for Medicare. This clarifies prior guidance related to the enrollment of PACE participants for Medicare payment.

Medicare and Medicaid status changes for PACE participants

As specified in CMS regulations at 42 CFR § 460 et seq., the PACE organization must give the participant a copy of the signed enrollment agreement upon enrollment. The enrollment agreement must indicate, if applicable, the participant's Medicare beneficiary status (Part A, Part B, or both) and number, the participant's Medicaid beneficiary status and number, and the participant's other health insurance information. If there are any subsequent changes to the information on the enrollment agreement, including changes in the participant's Medicare or Medicaid status, the PACE organization must give the participant an updated copy of the enrollment agreement and explain the changes to the participant and his or her representative or caregiver in a manner they understand.

60-day advance notice of participants' ability to opt out of PACE

PACE organizations are not required to send participants a 60-day advance notice of the participants' ability to opt out of PACE before enrolling them as PACE participants for Medicare payment. This clarification aims to reduce administrative burden and clarify notice requirements for PACE organizations. PACE organizations must continue to provide participants with a copy of their enrollment agreement and notify participants of changes to their information, including changes to their Medicare or Medicaid status, as required by 42 CFR §§ 460.154 and 460.156.

MARx transaction submission timelines

The Plan Communication User Guide for Medicare Advantage Prescription Drug Plans (PCUG) outlines the allowable date range during which PACE organizations may submit Medicare payment start dates for participants who become eligible for Medicare (see Section

3.2.3, Table 3-4). As described in the PCUG, plans are expected to submit MARx transactions within a five-month period that begins one month before the participant becomes eligible for Medicare. For example, the MARx transaction for a participant who becomes eligible for Medicare on September 1, 2025 can be submitted from August 1, 2025 through December 31, 2025. CMS may, on a case-by-case basis, approve requests for Medicare payment outside of this five-month window; however, such instances are expected to be uncommon.

We will publish an updated Chapter 4 of the PACE Manual that reflects the clarifications in this memo at a later date. For questions related to PACE enrollment and disenrollment policies, please submit your questions to https://enrollment.lmi.org/deepmailbox and copy your **PACE account manager**.